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PRINT No. 6

INTERIM PROGRESS REPORT
OF THE
JOB EVALUATION AND PAY REVIEW
TASK FORCE
OF THE
UNITED STATES CIVIL SERVICE COMMISSION

COMMITTEE ON POST OFFICE AND
CIVIL SERVICE
HOUSE OF REPRESENTATIVES



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(II)

FOREWORD

This print contains the interim progress report of the U.S. Civil Service Commission's Job Evaluation and Pay Review Task Force and its accompanying letter of transmittal to the Speaker of the House of Representatives, Hon. Carl Albert.

The Task Force was established under the provisions of the Job Evaluation Policy Act of 1970 (Public Law 91-216), which was signed on March 17, 1970. The act requires a full interim report at the end of 1 year and a final report with a draft of recommended legislation within 2 years after date of enactment.

Public Law 91-216 was developed by the Subcommittee on Position Classification chaired by Representative James M. Hanley. The functions of this subcommittee were included in the jurisdiction of the new Subcommittee on Employee Benefits established early in the 92d Congress.

The subcommittee intends to conduct a complete review of the interim progress report during this session.

A complete review of the steps leading to the enactment of Public Law 91-216 is included in the report.

THADDEUS J. DULSKI,
Chairman.

(III)

LETTER OF TRANSMITTAL

U.S. CIVIL SERVICE COMMISSION,
Washington, D.C., March 25, 1971.

HON. CARL ALBERT,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: The enclosed Interim Progress Report is submitted in compliance with Section 304 of Public Law 91-216, Job Evaluation Policy Act of 1970.

The Job Evaluation and Pay Review Task Force, established in and reporting to the U.S. Civil Service Commission, has reached the halfway point in its development of a coordinated job evaluation plan for Federal employees in the executive branch of the Government. The major tentative findings of the Task Force can be summarized as follows:

1. A variety of evaluation systems is needed in order to cover the breadth and scope of positions occupied by Federal employees.
2. Tentative models for each of several such systems have been prepared and will be tested and revised as necessary.
3. An interrelationship system, through the use of common job evaluation factors, is being developed to provide the common thread among the various systems.
4. The executive branch will need expanded authority for the creation of salary schedules and salary administration rules to provide a more direct relationship between evaluation and pay for the job.
5. The more than 500,000 clerical and other support personnel who are primarily recruited and work in localities now covered by the Coordinated Federal Wage System should, for pay purposes, be treated in like manner, i.e., to achieve comparability their pay should be based on locality prevailing salaries.

Extensive discussions have been, and will continue to be, held with representatives of Federal employees as well as with management officials throughout the Government as the work continues to progress. Liaison is being maintained with both the Military Personnel Directorate at the Department of Defense and the Postal Service. The former group is interested in the interface between its evaluation program for officers and enlisted men and their counterparts in the civilian Federal work force. The Postal Service is interested in the evaluation systems being developed as guidance in the design of its own job evaluation program.

(v)

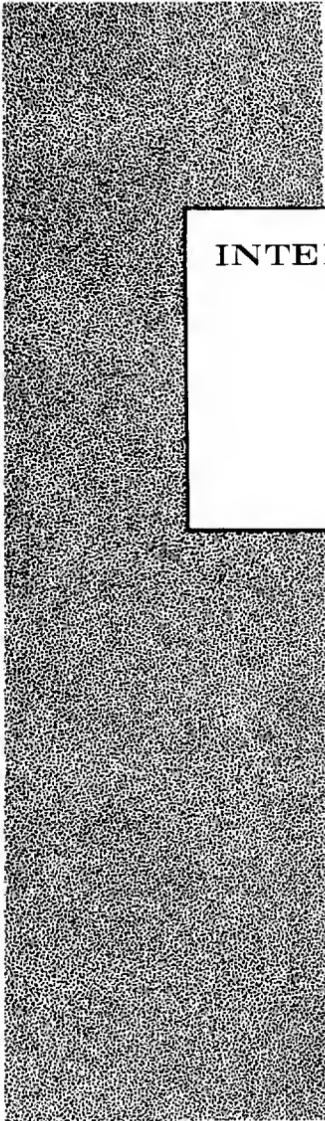
Public Law 91-216 requires that the Civil Service Commission submit this interim report to the Congress. In submitting it, my colleagues and I wish to make it completely clear that we have not come to any determinations at this time as to the soundness of the tentative conclusions or thinking of the Task Force as expressed in this report. It seems desirable, however, to bring these tentative ideas into the public domain at this time so as to secure the views and reactions of all interested parties during the months of refinement and recommendation which lie ahead.

By direction of the Commission.

Sincerely,

ROBERT E. HAMPTON,
Chairman.

(Enclosure.)



INTERIM PROGRESS REPORT
OF THE
JOB EVALUATION
AND PAY REVIEW
TASK FORCE

MARCH 17, 1971

U. S. CIVIL SERVICE COMMISSION
WASHINGTON, D. C. 20415

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SUMMARY

Public Law 91-216, enacted March 17, 1970, requires a two-year study leading to the preparation of a plan for the establishment of a coordinated system of job evaluation and ranking for civilian positions in the Executive Branch. This law resulted from a comprehensive review of Federal job evaluation and pay practices conducted by the Subcommittee on Position Classification, House Post Office and Civil Service Committee, under the chairmanship of Representative James M. Hanley.

In accordance with the requirements of Public Law 91-216, a Job Evaluation and Pay Review Task Force has been established within the U.S. Civil Service Commission. This interim progress report outlines the activities of the Task Force thus far, as well as the work which lies ahead.

The Task Force has completed a thorough study of job evaluation and compensation practices in private industry, State governments, and certain foreign countries. Research projects have been completed on a wide variety of topics basic to the establishment of sound job evaluation and pay policies for the Federal Government.

From an evaluation view, the tentative findings of the Task Force appear to indicate that the Federal positions can be grouped into five broad categories. Models for evaluating positions in these categories appear in APPENDIX VII. These can be summarized as follows:

1. Executive Evaluation System (EES). This includes positions involving basic responsibility for planning, developing, and directing programs or managing organizational entities. This is directly related to recently proposed legislation for a Federal Executive Service.
2. Administrative, Professional and Technological Evaluation System (APTES). This includes positions in the physical and social sciences, managers, the

administrative support positions, and the para-professional or technological positions that support full professional positions.

3. Clerical, Office Machine Operation, and Technician Evaluation System (COMOT). This includes positions that furnish clerical support, office equipment operation, and technician support positions subordinate to those in "2" above.
4. Coordinated Federal Wage System (CFWS). This includes positions of trade, craft, and manual operation and the supervisors of these types of positions.
5. Special Occupations Evaluation Systems (SOES). This includes specialized subsystems related to "2" and "3" above which emphasize rank-in-man elements.

Since proper pay policies are essential to the success of a job evaluation system, the Task Force has concerned itself with the subject of pay equity and pay relationships for Federal employees. The following principles have evolved, thus far:

1. The Federal work force does not comprise a homogeneous group of employees, similar in training and education, career patterns, geographical and career mobility, and labor market characteristics.
2. While common pay principles should undergird pay treatment, a single Government-wide pay schedule cannot meet the needs of all Federal agencies and employees.
3. Pay rates should be based on such factors as recruitment sources; the mobility of groups of employees; and industry practices. Thus, locality rates would continue to apply to nonsupervisory wage board employees; and could be extended to occupants of nonsupervisory clerical, machine operation and technician positions. Most other categories of employees could be compensated on nationwide pay schedules.
4. Overlapping pay scales would be required to recognize overlapping levels of responsibility among different categories of employees. For example, pay rates for

the Executive Evaluation System could overlap with the bottom rates of the Federal Executive Schedule and in turn be overlapped by the top rates of the Administrative, Professional and Technological Evaluation System.

5. Special occupational pay schedules may be required for certain categories, e.g., medical professions, attorneys, teachers.

Substantial work must be accomplished by the Task Force during the duration of its assignment period. Among the projects to be completed are the following:

1. An evaluation model for each of the five categories of employees to be covered by the coordinated job evaluation plan.
2. Field tests conducted to determine the validity of the five evaluation systems, and necessary revisions made where indicated.
3. Clearances of the proposed evaluation and pay systems with all interested parties.
4. An administrative structure and a transition plan to support the coordinated job evaluation and pay systems.
5. A final report with supporting legislation.

SECTION I Introduction

A. Historical Background

1. Origin of Study by Subcommittee on Position Classification

Public Law 91-216--The Job Evaluation Policy Act of 1970--had its beginnings in the first session of the 90th Congress. In April 1967 the House Post Office and Civil Service Committee created a Subcommittee on Position Classification, under the chairmanship of Representative James M. Hanley, for the purpose of holding hearings on proposals for the reclassification of certain positions in the Postal Service. The Subcommittee's hearings and investigations brought to light two significant facts about job evaluation in the Federal Government:

- a sound system for job evaluation is essential to the maintenance of a good personnel system, particularly in an organization the size of the Federal Government. Proper job classification is essential to the recruitment of qualified employees, the establishment of meaningful training courses, the selection of employees for promotion, and the payment of fair and equitable salaries for work performed;
- the classification systems of the Federal Government are out of date and are not keeping pace with the changing needs of society and the changing structure of the Federal service.

The Subcommittee then explored with employee organizations and with the Executive Branch the possible approaches to a thorough review of the job classification structures of the Federal Government, and outlined an ambitious study program for the second session of the 90th Congress.^{1/} The purpose of the study program, the Subcommittee later stated ". . . was to determine whether the need for differing independent classification and ranking systems still exists; the effectiveness of the systems in meeting the current and future needs of the Federal Government and the taxpayer; the need for changes in the classification and ranking systems; and, where necessary, to develop proposed changes in policy and procedures which will update

^{1/} House Committee Print "Summary of Activities and Program of the Subcommittee on Position Classification during the First Session of the Ninetieth Congress, December 1967."

classification and ranking systems, correct inequities in the systems, and to provide a basis for continuous maintenance of the systems to meet future needs for adapting to the ever-changing functions of the Federal Government. . . ."^{2/}

2. Findings of Subcommittee on Position Classification

The basic study occupied the better part of the Subcommittee's time during the second session of the 90th Congress. Members of the staff of the Subcommittee compiled background and historical information on each classification and ranking system used in the Federal Government; solicited views of departments and agencies, employee organizations, Federal executive associations and personnel councils, and operating personnel officials; examined the job evaluation systems of several state and foreign governmental jurisdictions; and reviewed previous studies of the Federal personnel system. The findings of the study group were:

- "1. Since the studies of job evaluation and ranking practices in the Federal service leading to the enactment of the Classification Acts of 1923 and 1949, several additional studies have been made by competent groups but little attention has been paid them by the Congress. Also, the executive branch has not taken the initiative to implement those phases of the studies dealing with the basic systems, the methods of job evaluation, and improvement of standards.
- "2. Classification and ranking of positions is accepted throughout the Federal service as necessary to orderly personnel administration.
- "3. Although job evaluation and ranking should provide the basis for good personnel management, many believe it is not doing so.
- "4. Classification and ranking systems have not been adapted to, maintained or administered to meet the rapidly changing needs of the Federal Government.

^{2/} Report on Job Evaluation and Ranking in the Federal Government, U. S. House of Representatives Report No. 91-28, February 27, 1969, page 5.

- "5. The number and variety of classification and ranking systems in the Federal service create confusion and result in differences in the methods of selection and appointment, promotion, conditions of work, and pay of employees in comparable positions.
- "6. The different methods of evaluation or ranking for specialized groups of positions are not related to one another and therefore create inconsistencies in pay, qualification standards and other personnel practices.
- "7. No effort has been made by the Congress or the executive branch to bring all departments and agencies under a single system,"^{3/}

3. Introduction of H. R. 13008

Representative Hanley introduced H. R. 13008 on July 22, 1969, for himself and for the entire membership of the Subcommittee on Position Classification. The language of Title I of the proposed legislation summarized the major findings of the study, and stated the intent of Congress that the Federal Government operate under a job evaluation and ranking system which would be at once coordinated--to assure equitable treatment to employees--and flexible--to accommodate the wide variety of occupations and employment conditions existing in the Federal service.

Hearings were held on H. R. 13008 over the course of several months--from August to December 1969. Witnesses included representatives of the major departments and agencies and employee unions and associations. The testimony supported the findings of the report on Job Evaluation and Ranking, and was overwhelmingly in favor of enactment of H. R. 13008. With this demonstrated need for in-depth review and overhaul of the Government's job evaluation systems, the Post Office and Civil Service Committees of both Houses of Congress reported favorably on H. R. 13008. In its report, the House Committee wrote:

"Changing the job evaluation and ranking systems of the Federal Government is a delicate and time-consuming task. It raises many questions and doubts in the minds of employees subject to the systems. It breaks patterns of thought and action with which personnel officials have become comfortable--perhaps too comfortable--over the

^{3/} Ibid, page 11.

past 47 years. Nevertheless, the task must be begun. H. R. 13008 represents the first legislative step toward much needed and major reforms in the structure of and concepts behind job evaluation and ranking--as it is utilized in the executive branch. The end result will hopefully be a system or systems which will provide greater cross-agency equity and will recognize the need for modern and flexible personnel management in the Federal Government today."^{4/}

On March 17, 1970, President Nixon signed H. R. 13008 as Public Law 91-216.

4. Creation of Task Force

Within one month of the President's signature, implementation of Section 301 of the Act was begun. The Job Evaluation and Pay Review Task Force was created within the Civil Service Commission as an independent staff office reporting directly to the three Commissioners. Mr. Philip M. Oliver was selected as Task Force Director.

Mr. Oliver's first task was to recruit a small permanent professional and administrative staff. Six professional personnel were selected as well as two administrative support personnel.

John S. Bynon, formerly Chief, Planning and Analysis
Branch, Division of Personnel, Tennessee Valley Authority

William S. Fradkin, formerly Deputy Chief, Compensation
Division, Department of Commerce

James A. Lambie, formerly Chief, Civilian Personnel
Division, U. S. Army in Europe

Barry E. Shapiro, formerly Personnel Management Specialist,
Bureau of Policies and Standards, Civil Service Commission

Harold Suskin, formerly Personnel Officer, Office of
Education, Department of Health, Education, and Welfare

Robert J. Trudel, formerly Chief, Salary Survey Support
Office, Bureau of Policies and Standards, Civil Service
Commission

^{4/} U. S. House of Representatives Report No. 91-823, February 3, 1970,
page 4.

Mrs. Mildred B. Bell, Administrative Staff Assistant

Miss Ocie R. Fisher, Administrative Assistant to the
Director

In addition, personnel have been detailed from other agencies for short-term assignments with the Task Force. Several key Task Force projects have been developed by these temporary personnel. (See APPENDIX I for a listing of the temporary personnel.)

Under the terms of Public Law 91-216, the Task Force is required to "consult with, and solicit the views of, appropriate employee and professional organizations" /Section 304(d)7. Furthermore, it is clear from the legislative history of the Act that Congress wished the Task Force to consult with all interested and concerned parties. To this end, the Task Force created four advisory committees representing, respectively, private industry, Federal personnel directors, AFL-CIO unions and independent unions and associations. (See APPENDIX II for a listing of the membership of these committees.) Specific areas of interest varied from committee to committee, but the same basic agenda was employed for all four. Among the many topics discussed in varying degrees among the committees have been:

1. Need for numerous job evaluation and pay plans now in Federal service.
2. Alternative groupings of Federal positions for job evaluation purposes.
3. Traditional job evaluation techniques and their usefulness in the Federal service.
4. Rank-in-Man vs. Rank-in-Job.
5. Job Evaluation as a management tool.
6. Professionalism in the Federal service.
7. The role of line management in the evaluation process.
8. The role of employee unions and organizations in the evaluation process.
9. Definition of the competitive position of the Federal Government as an employer.
10. Methods for changing pay.

11. Locality vs. national salary schedules.

12. Open vs. stepped salary ranges.

The contributions made by the members of the four advisory committees have been extremely helpful to the Task Force.

Also, in accordance with the desire of Congress to be kept abreast of the activities of the Task Force, monthly activity reports have been prepared for the Post Office and Civil Service Committees of the two Houses of Congress. These reports have presented specific topics being studied by the Task Force, brief summaries of the topics discussed in advisory committee meetings, and an indication of the scope of Task Force contacts with other Federal agencies, as well as with a wide variety of public and private organizations.

B. Task Force Approach to the Project

1. Review of Background Material

The Task Force approached the problem presented by Public Law 91-216 with an intensive review of background material (see APPENDIX III). These materials have a common thread running through them, namely, a continuing identification of the need for an improved coordinated job evaluation plan with supporting pay structures that would enable the Federal Government to maintain an effective work force without disruption to the general economy (or unfavorable competition with the private sector).

2. Review of Existing Systems

The next step was to understand the existing job evaluation and pay systems. Upon cataloging, over 60 different systems were found within the Executive Branch. These systems included not only General Schedule, but, also all of the special systems created by specific legislative acts for certain agencies and departments within the Executive Branch, such as the Tennessee Valley Authority, Veterans Administration Department of Medicine and Surgery, Department of State Foreign Service, Atomic Energy Commission, Central Intelligence Agency and the U. S. Information Agency, to name a few.

Because of the complexity of some of the systems in the Executive Branch, and to assure that each of the separate and distinct systems being used was thoroughly understood by the Task Force, arrangements were made for individual briefings by appropriate agency officials. Accordingly, a series of meetings was held with and formal presentations made by many of the major independent systems users. These briefings not only gave current information to the Task Force, but also provided the agencies with an opportunity to point out their own developmental plans for the future, weaknesses in the existing systems, and their systems' linkages with the General Schedule.

In addition, it was felt desirable to hold discussions with appropriate officials in the Library of Congress, General Accounting Office, Government Printing Office, and the District of Columbia Government.

Contact was also established with the Department of Defense to learn as much as possible about the job evaluation techniques used for military personnel. A continuing liaison has been maintained since there is a common interest between the military and the civilian components of the Executive Branch in job evaluation.

3. Conduct of Research Projects

The review of background material and the briefings by agencies placed the Task Force in a position to identify specific topics for areas of study and research, and a series of work papers have been developed. These work papers have formed the basis for discussion and development of the specific evaluation approaches and philosophies expressed in this report.

Certain fundamental precepts were established by the Task Force and can be enumerated as follows:

- a. A series of related evaluation systems would be needed to cover broad horizontal and vertical strata of workers within the total of approximately 2,100,000 Federal civilian employees (this figure does not include the approximately 700,000 postal workers). Upon specific advice from the General Counsels of both the Civil Service Commission and the Postal Service, the approximately 700,000 postal workers were excluded from the work of the Task Force. It was determined that the intent of the Congress in passing the Postal Reorganization Act of 1970 was to permit that organization the freedom and latitude to develop evaluation and pay systems to meet its specific needs.

- b. The evaluation systems would have to be simple enough for managers and employees at all levels to understand. Intensive training would be required at all levels to achieve this objective.
- c. The evaluation systems would have to produce consistent and accurate identifications of skill levels.
- d. The basic evaluation systems would be built with master job factors that measure uniform characteristics of jobs to be covered. In each system the job factors would be specifically tailored to the occupations to which applied by placing emphasis on differing elements within the factors, depending upon the positions to be evaluated.
- e. Many career ladders in the Federal service start at fairly low skill levels and rise to executive level positions. In developing evaluation systems, therefore, provision would have to be made for an interrelationship of grade levels and pay ranges. This interrelationship would be needed to facilitate an employee's movement from jobs in one evaluation system to jobs in another.
- f. The evaluation systems should be sufficiently flexible to accommodate new occupations resulting from technological developments and changing social values.
- g. A wide range of management processes should be served by the job evaluation systems. These systems would have to be designed so that they could be utilized as tools to improve the overall efficiency of Federal programs.
- h. The pay systems that would be related to the evaluation systems should provide pay scales that would be appropriately competitive with those of other major employers.

4. Consultation with Advisory Committees

As indicated above, and in compliance with Section 304(d) of Public Law 91-216, the philosophical concepts and the workpapers developed as a result of study and research have, during the past year, been reviewed with the Advisory Committees. These committees have given much assistance and advice and have been instrumental in guiding the thinking of the Task Force in its work. It is acknowledged that the work presented in the following

sections of this report does not represent complete acceptance by or unanimity of opinion of the Advisory Committee members. It would be unrealistic to expect to develop proposals that would carry the total endorsement of the diverse interests represented by the Advisory Committees.

5. Proposed Evaluation Systems

In the development of a coordinated job evaluation plan as requested by Congress, evaluation systems for five broad categories of positions have been tentatively identified as follows and described in more detail in APPENDIX VII:

- a. Executive Evaluation System (EES). This includes positions where the basic responsibility is for planning, developing, and directing programs or managing organizational entities.
- b. Administrative, Professional and Technological Evaluation System (APTES). This includes administrative support positions, professional positions in the physical, engineering and social sciences, and the paraprofessional or technological positions that support full professional positions.
- c. Clerical, Office Machine Operation, and Technician Evaluation System (COMOT). This includes positions that furnish clerical support, office equipment operation, and technician support subordinate to those in "b" above.
- d. Coordinated Federal Wage System (CFWS). This includes positions of trade, craft, and manual operation and the first level supervisors of these types of positions.
- e. Special Occupations Evaluation System (SOES). This includes specialized subsystems related to "b" and "c" above which emphasize rank-in-man elements as well as one of the rank-in-job systems.

A relatively new plan is now in effect for item "d" above, i.e., the Coordinated Federal Wage System. The Task Force recommends retention of that system. New systems are being designed for the other four categories. After very careful consideration of the many different techniques for measuring jobs, the factor ranking evaluation method has been tentatively selected, with point values, in some categories. (Descriptions of methodology appear in APPENDIX VII.)

6. Existing Civil Service Commission Standards

The Task Force is fully aware of the tremendous investment represented by standards development by the Civil Service Commission for General Schedule positions. These standards are a highly valuable asset, and it is proposed to utilize them to the greatest extent possible.

Specifically, Civil Service Commission standards would serve as an excellent source of occupational data. These documents are, and will be utilized as, encyclopedias of work information providing basic materials for constructing new job evaluation tools and benchmark jobs by the Task Force now, and by the Commission at a later date.

7. Exclusions from the General Schedule

Public Law 91-216 exempts no executive agencies or occupational groups. Therefore, the Task Force made a study of the exclusions listed in 5 U.S.C. 510(c) and (d). It was necessary to review not only the background of the individual exclusions, but the history of the purpose and implementation of the Classification Act of 1923 as well. It was found that the exclusions are defined in four ways:

- a. There are entire organizations, within which all positions, of whatever character, are excluded.
- b. Certain kinds, classes, or groups of positions are excluded under all circumstances.
- c. There are certain circumstances or employment conditions under which all positions are excluded.
- d. Certain kinds, classes, or groups of positions are excluded under certain designated circumstances.

In the foregoing categories, the term "excluded" refers to positions not covered by Chapter 51 of Title 5, U. S. Code. Such positions are not covered by the eighteen statutory grade definitions and accompanying pay schedule for the General Schedule, or not subject to regulation by the Civil Service Commission. Most of the exclusions were originally written into law because of the inappropriateness of the statutory grade definitions of the Classification Acts of 1923 and 1949; the inappropriateness of the fixed compensation schedules of those Acts as pay-setting mechanisms; or problems connected with Civil Service Commission review of an agency's classification program. Task Force recommendations as to the continuation of any individual exclusions would, therefore,

depend less on the validity of the exclusion under the present system than on the practicality of application of the proposals for new evaluation systems being recommended by the Task Force. (APPENDIX VIII addresses this problem.)

In the following portions of this report, suggested authority by the Civil Service Commission for post-audit and for approval of benchmark positions would be worked out with agencies currently having exemptions for reasons of national security.

SECTION II Development of Evaluation Systems
by the Task Force

A. Background

1. Job Evaluation Systems Inside the Federal Government

The Report on Job Evaluation and Ranking in the Federal Government, issued February 27, 1969, by the House Subcommittee on Position Classification, states "There are at least 20 separate systems for evaluating and ranking jobs."^{5/} The Report makes clear that this multiplicity of systems underlies many (and perhaps most) of the numerous problems identified and described by the Subcommittee.

Actually, the number of separate "systems" for evaluating and ranking jobs is considerably greater than 20. These systems differ from one another in many characteristics. Some of these differences are of profound importance, others are often trivial. It is the lack of coordination among these many systems that has produced the discrepancies in job evaluation, employee treatment, and pay described throughout the Subcommittee's report.

The Task Force has listed the existing job evaluation and job ranking systems and identified the major or significant characteristics of each. For purposes of this list, a job evaluation system was assumed to exist in each instance in which:

- a. A formal plan existed for sorting positions into classes, grades, or levels for any purpose; or
- b. An authority existed to fix pay for individual positions.

It was assumed in the latter instance that the exercise of the pay-fixing authority necessarily entailed some type of evaluation, formal or otherwise, of the worth of the position relative to other positions.

Of particular significance is the fact that 88% of the Federal workers are included under three job evaluation systems, and 12% are scattered among about 60 other job evaluation and pay plans. The three systems that cover almost all of the workers are:

- a. The General Schedule system, with approximately 44% of all Federal employees;

^{5/}Op. cit., page 1.

- b. The Coordinated Federal Wage system, with approximately 19% of all Federal employees;
- c. The Postal Service, with approximately 25% of all Federal employees. Since this is excluded from the Task Force study, no further mention will be made of this system.

Over 40% of the other 12% of the workers are foreign nationals employed overseas in craft or labor occupations.

Two of the job evaluation plans that include the largest number of workers are administered by the U.S. Civil Service Commission. These are:

a. The General Schedule System

This is a formal job evaluation system applicable to a wide range of office, administrative, and professional positions in most executive departments and agencies. This plan utilizes job evaluation standards issued by the Civil Service Commission for each occupation. A wide variety of factors and job evaluation techniques are used in these standards, and other evaluation techniques may also be used, provided the resultant grade level for each position is the same as that authorized by the standard. Standards have been provided for about 65% of all occupational series and 90% of all employees are covered by class standards or grade evaluation guides. Approximately 1,300,000 positions are under the GS system.

b. The Coordinated Federal Wage System

This is a formal job evaluation system applicable to trades and crafts, skilled mechanical crafts, and unskilled, semi-skilled, and skilled manual labor positions (including foremen and supervisors) in 60 executive departments and agencies. A factor-comparison plan is used, and job grading standards are issued by the Civil Service Commission. As of June 30, 1970, there were nearly 560,000 employees under this system, exclusive of: (1) employees stationed in U.S. Territories; and (2) foreign nationals. Also included under this system are over 20 "special schedules" or subsystems that involve separate job evaluation techniques and pay practices.

c. Other Executive Branch Job Evaluation Systems

As indicated above, approximately 12% of the Federal workers are distributed among about 60 separate and uncoordinated job evaluation systems. These systems are of many different

types and have many different characteristics. Some encompass entire agencies; others include only a few workers. Some are formal, highly structured systems; others represent nothing more than an administrator's judgment as to an appropriate pay level for a type of job. Some are rank-in-job systems; others are rank-in-man systems. Some are closely related to the General Schedule system; others are entirely different, highly individualistic plans. Some exist in only one agency; others are to be found in several agencies, but with no coordination of actions or results. Some cover permanent full-time employees; others apply only to temporary employees or jobs. (A full list of these categories appears in APPENDIX IV.)

2. Evaluation and Pay Systems Outside the Federal Government

As part of the development of additional background material, a comprehensive survey was made of the practices and experience of State governments, certain foreign governments, and a select group of national private firms. It was found, particularly in the public sector, that many of the governmental jurisdictions have completed, or are in the process of making, major overhauls of their job evaluation and pay systems. Others indicated the need for improving their job evaluation systems. Many of these changes in job evaluation and pay systems have been brought about by changing requirements of modern government services, changing social values and tradition, and by the impact of unionization among government employees. Within the private sector, the situation appears to be more stable. This may be due to the fact that most private employers have a greater degree of flexibility in their job evaluation and pay systems than is found in the public sector. Therefore, adjustments are made without general overhaul of the system itself.

a. State Governments

With the assistance of the Jacobs Company, Inc., Management Consultants, the Task Force made a general survey of job evaluation and pay systems of all 50 State governments. A closer review was made by the Task Force of seven states whose systems appeared to warrant more careful consideration. It was found that experience of the states has provided the Task Force with valuable background information. Traditionally, there have been many parallels between the Federal and State systems.

Each state, based on its own unique requirements, has a somewhat different approach to job evaluation and pay. However, as our summary indicates, there are common threads throughout

both the Federal and State systems. The work of the Task Force will, no doubt, have a significant impact on the future course of job evaluation methodology in these governmental jurisdictions. (See APPENDIX V for details of this study.)

b. Foreign Countries

The Task Force has directed its attention primarily toward developments in the Australian, British, and Canadian Civil Service systems. Each system currently is undergoing change.

There are two common threads, however, which run through the three foreign government systems which have been reviewed:

- (1) The systems emphasize occupational groupings for job evaluation and pay purposes rather than a single, monolithic structure such as that which exists in the General Schedule in our country.
- (2) Collective bargaining in determining comparability in the setting of pay rates is recognized.

Additional information on job evaluation and pay practices for positions in the public service in Canada, Great Britain, and Australia is contained in APPENDIX VI.

c. Systems Used by Private Employers

A review was made of the literature on the practices of American industry and in-depth investigations were made of the practices of a selected group of major private concerns. The information collected indicates certain patterns of practice. In general, private corporations break their jobs into the following major categories:

- (1) Executives.
- (2) Exempt employees (these are employees in managerial, professional and administrative positions who are exempt from the Wage and Hour requirements of the Fair Labor Standards Act).
- (3) Nonexempt employees (these are employees in nonsupervisory positions who are subject to the Wage and Hour provisions of the Fair Labor Standards Act).

Within the nonexempt segment, private employers usually group positions into nonexempt white-collar and nonexempt blue-collar categories. These groupings are generally used by private employers for both job evaluation and pay purposes.

The three categories mentioned above overlap somewhat in both evaluation and pay treatment. For example, it is common for the upper levels of the nonexempt white-collar structure to overlap one or more with the lower levels in the exempt status grouping. A similar overlap normally exists between the exempt status group and the executive group.

Most large, nationally organized employers use a factor ranking system for evaluating or ranking white-collar positions in the nonexempt category. These systems rank jobs by comparing each job with all others in the same category, one factor at a time. The process is normally facilitated by the use of rating scales with point scores and benchmark jobs. The benchmark jobs serve as guides or standards in applying the rating scales.

Factor ranking is also the most frequently used technique for evaluating exempt status positions. While most jobs may be evaluated under a single plan, certain specialized occupations are frequently treated separately. For example, attorneys, medical doctors, as well as research, engineering and scientific positions are often evaluated under a rank-in-man system. Pay rates for exempt status employees are generally tied to the national market for administrative and professional personnel.

Executive positions in private industry are also systematically evaluated and ranked. The two methods most frequently used are factor ranking and simple "whole job" ranking. In the rankings of such positions, the impact and contributions of the individual play an important role in determining the relative level of a position.

B. Some Major Issues Requiring Final Determination

The Task Force has taken the position that certain types of evaluation systems are needed to resolve some of the operating problems and inequities in the existing systems as identified by the Hanley Subcommittee. Before these models can be finalized, the Commission will have to reach certain conclusions and decisions which are policy determining in nature. These are under consideration by the Commission and are identified herein for the purpose of apprising the Congress

and other interested parties of these issues so that reactions and comments can be solicited before final decisions are made. The Commission's final report and legislation would, therefore, reflect the Commission's determinations in these matters after having thoroughly studied the issues themselves and public reaction. These can be summarized as follows:

1. The Administration has recently submitted legislation for the creation of a Federal Executive Service. This provides for major changes in the way in which jobs at the present GS-16/18 and equivalent levels are established, filled, classified, and paid. Among other provisions, the FES proposal contemplates that each agency will develop and administer a position management system geared to its special needs. To assist agencies in administering such a plan, a tentative model of an evaluation system for positions in this category has been prepared as described in APPENDIX VII. This model will be submitted for review and comment through the Interagency Advisory Group to all agencies and will also be made available for review and comment to unions and employee associations.
2. The division of positions below the executive level into two broad categories, i.e., exempt and nonexempt, is being considered. This division would be more in harmony with the common practice in the private sector and models of evaluation systems for specific occupations within these broad categories are found in APPENDIX VII.
3. Certain special groupings of occupations within the exempt and nonexempt categories are being considered for evaluation and pay treatment in a combined rank-in-job/rank-in-man proposal. The details of this proposal appear in APPENDIX VII. Among the needs for different treatment for these occupational groups are the resolution of recruitment and retention difficulties and the intent to place the Federal Government in a more competitive light with the private sector.
4. Consideration is being given to the feasibility of achieving greater comparability for nonexempt employees with their counterparts in the private sector by treating these employees, for pay purpose, in the same manner as those employees covered under the Coordinated Federal Wage System. Specifically, under review is the proposal to establish locality salary schedules for nonexempt employees in the clerical, office machine operation, and technician grouping. This would broaden the locality pay principle from the present half million employees to more than a million. It is directly related

to the posture the Federal Government wishes to take in establishing its competitive position in the labor market wherever Federal Government employees are utilized.

5. From a pay administration viewpoint, the practicality of having a series of step increments within salary ranges is under review. Under recent legislation, Federal employees will now be considered for annual salary adjustment based upon Bureau of Labor Statistics' comparability studies, which studies include longevity or service recognized by employers in the private sector in establishing private sector salary rates.
6. Within the framework of the Commission's long-range goal to strengthen personnel management among the agencies and their field organizations, the evaluation and pay structures which would evolve from the Task Force study have a direct correlation with this long-range goal. Therefore, additional consultation and discussion is needed to insure that the needs of the agencies and the objectives of the Commission are, in fact, in harmony.
7. Related to "6" above is the proposal to delegate decision-making responsibilities in job evaluation to the lowest possible managerial level within agencies and their field organizations. Extensive training and continued post-audit would be required to achieve this objective. This would also broaden the role of the personnel staff to that of consultative service rather than assuming managerial prerogatives in this area.

The details of the evaluation system models presented in APPENDIX VII will be submitted shortly for detailed review and comment to all interested parties. SECTION III, which follows, deals with pay relationships to these detailed systems. It is understood that as the Task Force work progresses both the evaluation models and the pay relationships will continue to undergo modification to the point at which the Commission is ready to endorse or recommend legislation to the Congress which will permit the installation and administration of proposals contained herein.

SECTION III Relationship of Pay to Evaluation Systems

A. Background

The need to examine pay policy and practice in relation to job evaluation has been recognized in Title I, Section 101(2) of the Job Evaluation Policy Act of 1970, Public Law 91-216, which states "the large number and variety of job evaluation and ranking systems in the executive branch have resulted in significant inequities in selection, promotion, and pay of employees in comparable positions among these systems." Section 101(3) of Title I also points out that a coordinated system of job evaluation and ranking must be on a set of principles providing coherence and equity throughout the Executive Branch.

Since pay policy and pay fixing are functionally related to job evaluation and should assure the equitable application of compensation schedules to evaluated positions in the Federal service, the Task Force has concerned itself with problems of pay equity and pay relationships for Federal employees.

The existence of over 60 pay systems, schedules, and authorities currently used for the compensation of Federal employees also provides compelling reasons for the Task Force to examine existing pay policies and pay-setting authorities in Government. In this connection, the Task Force is investigating the equity of pay relationships among many job evaluation and ranking systems in order to determine the possibility of establishing an effective, economical, comprehensive, and coordinated set of Federal pay policies.

1. Review of Legislative History (Pay Policy and Pay Setting)

The historic principle of "equal compensation for equal work, irrespective of sex," first enunciated in the Classification Act of 1923 and applied only to classified employees in the departmental service in the District of Columbia, has been extended over the years (with slight variations in language) to all Federal employees paid under statutory salary schedules. In compensation legislation enacted at various periods since 1923, basic principles have been established for the statutory pay systems providing that there be no discrimination against any person, or with respect to the position held, on account of race, creed, or color; that pay distinctions be maintained in keeping with work and performance distinctions; that Federal

pay rates be comparable with private enterprise pay rates for the same levels of work; and that pay levels for the several Federal statutory pay systems (General Schedule, Foreign Service, Veterans Administration Medicine and Surgery) be interrelated.

The Congress has not only established pay policies for compensating many Federal employees in the Executive Branch, but has also exercised pay-setting authority for over 40 years in establishing and adjusting the rate structures of the statutory salary schedules. However, the enactment of two very important laws in Fiscal Year 1971 has indicated Congress' willingness to begin to divest itself of pay-setting functions.

In Public Law 91-375, "The Postal Reorganization Act of 1970," approved August 12, 1970, Congress authorized and directed the Postal Service to classify and fix the compensation and benefits of all officers and employees in the Postal Service through collective bargaining; and, as a matter of pay policy, to maintain compensation and benefits on a standard of comparability to the compensation and benefits paid for comparable levels of work in the private sector of the economy.

In Public Law 91-656, the "Federal Pay Comparability Act of 1970," approved January 8, 1971, the Congress authorized and directed the President to make annual adjustments in rates of pay in the statutory salary systems based on comparability with private enterprise rates. This is subject to review by Congress only when the President considers it inappropriate in a particular year to make the pay adjustments indicated by application of the directed pay comparability studies. The subject law also continues in existence the pay policies promulgated in previous legislation, i.e., equal pay for equal work, maintenance of pay distinctions in keeping with work and performance distinctions, comparability of Federal pay rates with private enterprise pay rates for the same levels of work, and maintenance of interrelationships of pay levels for the statutory systems.

In regard to compensation for Federal blue-collar employees, Congress has entrusted to the Executive Branch complete pay-fixing authority under locality prevailing rate systems, subject to such policy guidance as compliance with the Davis-Bacon Act and pay comparability on a prevailing rate basis consistent with the public interest, and direction as to application of overtime and certain other premium pay provisions. The exercise of this pay-setting authority by the Executive Branch is now being coordinated by the Civil Service Commission with the institution of the Coordinated Federal Wage System.

2. Federal Pay Policy Today

The "Federal Pay Comparability Act of 1970" is now the basic law governing the pay of Federal white-collar employees under the statutory salary systems. Although setting and adjusting of pay rates has now been vested in the President, subject to the restrictions indicated above, the Congress has not yet legislated changes (or authority for the Executive Branch to make changes) in the physical structure of the statutory schedules with respect to number of steps, intragrade differentials or pay increments, waiting periods for salary advancement, and other related aspects of salary administration. In addition, certain agencies and occupations are still exempt from the pay schedules and pay provisions of the above Act.

On the other hand, with respect to postal employees and blue-collar employees, the Congress has vested in the Executive Branch relatively complete authority to establish pay policy, pay structures, and pay rates.

In addition, by means of legislation or executive direction, certain principles serve as a basis for Federal statutory pay systems. These principles are equal pay for equal work, pay distinctions in keeping with work and performance distinctions, pay comparability with private enterprise, and some degree of interrelationship of pay levels.

3. Need for Broader Federal Pay Policy

For further development and improvement of Federal pay policy, the responsibility of the Government to the Nation as a whole must be recognized. Government pay policy must be equitable, coordinated, flexible, and responsive to a variety of public interests. Consideration must be given to the need to attract and retain competent staff to accomplish Government functions, reasonableness of cost to taxpayers, equity and fairness of pay for Federal employees, with equal fairness to private enterprise as competitors for talent, and correlated to the evaluation systems used for Federal employees.

In developing an improved, effective, and comprehensive Federal pay policy for all Federal employees, certain questions must be answered and additional principles promulgated in order for Government pay policy to be truly equitable, flexible, and responsive. In this connection, it is the judgment of the Task Force that:

- a. The Federal work force does not comprise a homogeneous group of employees, similar in training and education, career patterns, geographical and career mobility, and labor market characteristics.
- b. While common pay principles should undergird pay treatment, neither a single Government-wide job evaluation system nor a single Government-wide pay plan will or can truly serve the needs of all agencies.
- c. The relative competitive position of the Federal Government as an employer, vis-a-vis private enterprise employees, must be defined in terms of staff needed, role as a leader or follower of changes in pay, and social implications; and, in accordance with the public interest, should be uniform insofar as may be practicable in both national and local labor markets.
- d. In determining comparability of Federal pay rates with private enterprise pay rates, the comparability of Federal and private enterprise practices in recruitment, retention, transfer, and compensation of groups of employees should be taken into consideration as well as the concomitant labor market characteristics of the groups and occupations for whom comparability in compensation is to be achieved. Simply stated, comparability of Federal pay should be more directly related to comparability with pay practices and labor market or employment characteristics in the non-Federal sector than is presently the case.
- e. Job evaluation and pay systems should provide realistic opportunities for job progression and salary advancement for nonsupervisory and nonmanagerial personnel as well as for administrative, managerial, and executive employees in Government. Progression in such professional fields as law, medicine and science, should be attainable to approximately the same degree for individual performance as for executive responsibilities.
- f. The highest degree of coordination among agencies and departments in the administration of job evaluation and pay plans should be effected in order to avoid duplication of effort, assure maximum equity in pay, and prevent individual agencies (and their employees) from having an advantage or disadvantage with respect to other agencies in recruitment, motivation, and retention of employees because of diverse pay treatment. Simply put, the need for over 60 pay systems, schedules, and authorities must be carefully examined.

- g. The highest degree of coordination among agencies and the greatest degree of equity for employees in pay treatment will best be achieved by establishing pay setting for all Federal employees as a personnel management function in the Executive Branch. Congress, which has ultimate control by way of appropriation of funds, should establish the basic pay philosophy of the Federal Government as an employer and perhaps the general policies or guides to be followed in formulating or adjusting pay structures, but full accountability for setting pay and administering pay structures should be vested in the Executive Branch.

B. Executive Pay Schedule

Relationship to Evaluation System

A competitive, flexible pay schedule must be provided for the system applicable to executive positions described in APPENDIX VII. Inadequate pay schedules inevitably create pressures on the job evaluation system, resulting in misalignments in order to provide competitive pay rates. This condition results in loss of confidence in the job evaluation system, dissatisfaction on the part of employees and supervisors, and poor morale, with resultant deterioration of efficiency and productivity, within an organization.

C. Administrative, Professional and Technological Pay Schedules

1. Necessity for Flexibility

The Task Force recognizes the need for flexibility in pay plans applicable to the Administrative, Professional and Technological occupations. A review of pay practices in non-Federal situations indicates that some professions are organized in fewer levels, with wider pay bands, than are found in most other occupations. Locality differences in pay appear appropriate for certain occupations where there are wide variations in locality rates and limited mobility for the typical employee, e.g., nurses.

A separate pay schedule may be justified for a particular profession for many of the same reasons which would justify a separate evaluation system for that occupation. Essentially, this would be

conformance to the general treatment in society outside the Federal Government; the way the occupation is typically organized; the pay distinctions that would be accepted as reasonable by the members of the occupation; and a need to recognize differences in performance, qualifications, and situational elements which would motivate well-qualified persons to accept and retain employment, e.g., doctors.

2. Relationship to Evaluation Systems

Basically, positions of equivalent value within the general system for this category, or in special systems established and coordinated with this system, should receive like pay treatment. However, adjustments of the following types should be permitted:

- a. Conformance to universal occupational practices which vary from the norm, e.g., computer personnel.
- b. Adjustments for occupational shortages in particular classes of positions, nationwide or in a specific locality.
- c. Individual pay adjustments, within the range normally established, because of prior pay or unusual qualifications of a candidate or because of a special need for his services.

3. Methodology

For the large majority of positions in this category, the basic pay schedule should be determined through Bureau of Labor Statistics surveys, in the manner established by Public Law 91-656, the "Federal Pay Comparability Act of 1970." Where special schedules are established or adjusted for occupational categories, nationally or in a community area, this should be done by annual surveys. Data as reported in existing sources could be used or, as required, special surveys could be made by the Bureau of Labor Statistics. Provision should be made for participation through review and consultation by appropriate union and/or professional associations, following the general principles established for the Professional, Administrative, Technical survey by the Bureau of Labor Statistics.

4. Relationship to Executive Pay Schedule

The pay schedules, both general and special, in this category could overlap at the upper end with the schedule for the

executive category. Hence, there is need for consideration of relationships with that category. For example, top scientific, diplomatic, or other specialized personnel below the executive category might well be evaluated as high as key executive positions. Evaluations using a common tool such as the factor ranking-benchmark system for this category could be used to establish the basic pay relationships. Adjustments in pay could be made, as required, for special recruitment, occupational practice, and environmental situations.

For positions evaluated under the general APTES category, without special pay adjustments, there is no reason why the pay rates should be different in dollar amounts; in this overlapping area, from those of executives. There could well be advantages in emphasizing the equivalence in evaluation and thus in pay of higher-level employees, some of whom have chosen to rise in the administrative-managerial functions to executive ranks, and some who become recognized experts in professional or equivalent occupational fields. This dual-ladder concept is well recognized and accepted in the private sector.

D. Clerical, Office Machine Operation, and Technician
Pay Schedules

1. Competitive Position vis-a-vis Private Sector

Task Force studies indicate that private industry generally utilizes separate evaluation and pay systems for exempt and nonexempt positions. The private sector pay systems for blue-collar, office clerical, and technician positions are most frequently prevailing rate, locality-based pay schedules. On the other hand, the Federal Government compensates its office clerical and technician positions on the basis of nationwide rates.

Thus, in some areas Federal pay for office clerical and technician occupations is higher than average industry pay; in other areas the reverse is true. The competitive position of the Federal Government in paying its employees is ambivalent and inconsistent.

2. Relationship to Coordinated Federal Wage System

Establishment of the Coordinated Federal Wage System (CFWS) put into effect a single system of job evaluation and uniform pay policies covering wage board positions in all departments and

agencies. Wages for such positions have traditionally been set on the basis of rates found in private establishments for work of like difficulty in the locality of employment.

Adoption of the locality approach for wage board jobs would enable the Federal Government to compete equitably in the immediate employment market, since employees for such types of positions are normally recruited in the local labor market.

In general, the same conditions apply in meeting the recruitment requirements for clerical, office machine operation, and technician positions. Accordingly, it would appear desirable to consider utilizing the same policy of setting pay on a locality basis for this segment of Federal Government employment.

3. Relationship to Evaluation System

A prime consideration in determining compensation for clerical-, office machine operation-, and technician-type positions is how closely evaluation of such positions in Government produce the same general relationship as do the pay relationships found in private industry. It has been found that: (1) job relationships in this group, as reflected in pay, generally follow similar patterns in the private sector regardless of locality; and (2) private sector pay rates for the same job may vary as much as 40 percent among localities.

The Congress, in the Salary Reform Act of 1962, established the policy of setting, for Government "white-collar" jobs, salaries comparable to those in private industry. However, to achieve comparability in a true sense the evaluation system should provide grade relationships that correlate with rate relationships. The current classification standards for positions in the Clerical, Office Machine Operation, and Technician occupations do not produce a relationship that correlates with industrial rate patterns. The new approach to evaluation of such positions, outlined in APPENDIX VII of this report, would change the evaluation relationships to bring them into a better correlation with industrial rate averages.

E. Coordinated Federal Wage System Schedules

1. Relationship to Private Sector

Pay schedules under the Coordinated Federal Wage System are locality-based, prevailing rate, step schedules. Wage rates

for nonsupervisory schedules reflect the general level of rates paid by private employers in the same wage area for kinds and levels of work performed in the Federal service. Wage rates for leader and supervisory schedules are derived from the rates of regular nonsupervisory schedules by means of established formulas which provide differentials above the rates of workers led or supervised and which are reasonably in line with those in private industry.

Thus, there are three types of pay schedules, varying in rates from area to area in accordance with the differences in levels of private sector rates in the respective localities. To the extent that step structures characterize the pay schedules, average Federal rates may, or may not, match average locality rates because of the effects of seniority.

2. Relationship to Evaluation System

The Coordinated Federal Wage System job evaluation system requires that the relative worth of positions be stated in terms of grades or grade levels. Accordingly, the pay schedules show rates for grades, or levels, and not for positions such as plumbers, carpenters, or machinists.

Naturally, the pay rates for the higher grade levels are higher than the pay rates for the lower levels, so that positions classified in the higher grade levels receive more pay than positions in the lower grade levels. Continuation of this approach is recommended by the Task Force.

F. Special Occupations Pay Schedules

1. Relationship to Evaluation Systems

The evaluation approach discussed in APPENDIX VII for special categories of employees within the broad category of administrative, professional and technological employees will require, if installed, a variety of pay schedules. These pay schedules will be needed to provide direct relationship between the evaluation techniques and the competitive salaries for like positions in the private sector. Since the primary purpose of this evaluation approach is to place the Federal Government in a more favorable position in terms of recruitment and retention of employees in these special categories, the pay relationship is critical to the total concept.

2. Enumeration of Special Category Pay Schedules within APTES

At a minimum, it appears at this point that the following special category pay structures will be needed:

- a. In the Health Services field, the pay structures for the doctors, dentists, nurses, and other specialized professions, would each be geared to studies of like positions in the private sector. The pay structures for support positions to these specialized professional jobs would be the same as those used for the COMOT and APTES employees indicated in earlier portions of this section. This means that in the Health Services field some of the employees will be on national schedules and some on locality schedules in order to achieve, as closely as possible, comparability with the private sector.
- b. It is envisioned that one pay structure could be developed for the various skill levels of attorneys that would result from the application of the special evaluation approach. This pay structure would be linked to private sector salary data.
- c. A basic Federal pay schedule for the teaching profession would be developed that would be nationally competitive. This could then be used both domestically and overseas. The overseas personnel would continue to be the recipients of additional allowances and differentials for working in areas outside the continental limits of the United States. An educational administrative structure linked to the teacher pay structure, as well as to the national APTES structure, would be needed.
- d. For the Foreign Service personnel within the Department of State, U.S. Information Agency, Agency for International Development, and Peace Corps, it is believed three basic structures are needed. One schedule would cover professional Foreign Service personnel, and would be based on nationwide salary data. Another schedule would cover the clerical support personnel, both domestic and overseas. This latter pay structure could be determined to be the Washington, D.C., COMOT locality structure. For employees on this structure assigned to Foreign Service duty, overseas allowance and differentials would be added. For the Foreign Affairs Specialist category which the Department of State is establishing, a basic pay structure that would coincide exactly with the APTES pay structure would be appropriate.

By providing both national and local relationships with pay structures for the other evaluation systems enumerated in APPENDIX VII, the broad concepts of both equal pay for equal work and comparability would be achieved.

3. Special Category Pay Schedule within COMOT

Within the COMOT category, those positions concerned with protective services also lend themselves to rank-in-man/rank-in-job evaluation. From a pay standpoint, relationship would have to be developed, on a regional or local basis, with COMOT schedules.

SECTION IV Work to be Done

A. Evaluation Systems

1. Completion of Evaluation Models

Using the framework of evaluation systems described in APPENDIX VII of this report, the Task Force will, during the next year, complete its development of an evaluation model for each of the five categories of employees to be covered in the coordinated job evaluation plan. Built into these models will be a relationship so that the evaluation results under any one of the individual systems can be cross-identified with the other systems. This will show the evaluation changes that result as positions of increasing responsibility within occupational career ladders are identified. While any one of the five systems, in theory, could be used to evaluate any position within the five broad categories, the most accurate results would be obtained by the evaluation system designed for the particular category. Finally, one or more methods for the evaluation of supervisory and managerial jobs below the career executive level has to be developed and related to each of the evaluation models.

2. Field Test and Validation

Prior to submitting the evaluation models in the final report, it is expected that actual field tests will be conducted to determine the validity of the evaluation systems. These field tests will be done in conjunction with staff of selected agencies. It is hoped that the field tests and the validation studies will reveal weaknesses, if such exist.

3. Revision and Revalidation

The field test results referred to above should indicate areas where modifications of the evaluation models are needed. Any such changes once made, therefore, will require retesting and revalidation. At the conclusion of this phase of the job, the evaluation models can be assumed to meet the criteria established by the Task Force and would be ready for the final step, namely, that of securing concurrence from using organizations.

4. Clearances and Concurrences

As each of the evaluation systems are field tested, validated, modified, and revalidated, the systems would be submitted to the Interagency Advisory Group and to interested employee organizations and associations for review and comment. All effort would be made to secure as much acceptance of and concurrence in these evaluation techniques as possible. The Commission would then be in the position, in submitting this coordinated job evaluation plan, to report to the Congress the degree of acceptance obtained. This would simplify the transition plan once the total program had been enacted into legislation. The Civil Service Commission would, of course, assume the full responsibility for a transition from the existing systems to those encompassed in the coordinated job evaluation plan.

5. Exceptions to the Coordinated Job Evaluation Plan

A careful review and analysis has been made during this first year of the legislative exceptions to the General Schedule. The final report, therefore, should address itself to the exceptions that should be authorized under the proposed legislation. Every effort would be made to keep the number of exceptions to the coordinated job evaluation plan to an absolute minimum.

B. Pay Structures as Related to Evaluation Systems

1. General Review

In developing the evaluation systems, the Task Force has been considering the impact and effect that the evaluation systems would have on the statutory pay structures. It is evident not only from the Subcommittee Report but from the many comments, both written and oral, made by individuals who appeared before the Subcommittee and at the public hearings, that there is deep concern over the inequities existing among the various pay systems. It is believed by the Task Force that while it is possible to develop an evaluation system or systems with total disregard to the pay implications, this is neither practical nor the intent of the Congress. The Task Force has not presumed to make detailed reviews of all of the Federal pay systems. However, the interface problems have been constantly confronted. It is expected, as described in SECTION III, that some significant revisions in pay philosophy and policy will be required. The locality vs. national pay policy is one example. Other examples are the pay relationships that exist with the establishment of special

occupational evaluation systems, such as health services employees, attorneys, teachers, guards, and fire fighters; and the interface between the pay structures for the Coordinated Federal Wage System and those employees in the clerical support occupations. Finally, in developing the model for the Executive Evaluation System, pay problems arising because of the relationship with the Federal Executive Schedule will have to be reviewed.

In the year ahead, the Task Force will continue to review the implications arising from the consolidation of the many evaluation systems into five broad categories described in APPENDIX VII, and the pay structures presently administered under the three-score systems in effect today. In an effort to achieve both the general concept of equal pay for equal work and comparability with the private sector, the Task Force will endeavor to make recommendations for pay structure changes to meet these goals.

2. Concurrences

The Task Force recommendations on pay as related to evaluation systems will, of course, require the thorough review and consideration of the Civil Service Commission, just as will the evaluation systems recommendations themselves. The Task Force will be seeking the views of its Advisory Committees and the Interagency Advisory Group. The final recommendations of the Civil Service Commission will be forwarded to the President through the Office of Management and Budget, in accordance with standard practice, as part of the final report and proposed legislation. Many of these recommendations will require additional developmental work if the legislation proposed is acted upon favorably.

C. Administration

1. General Review

Most evaluation systems can be made operationally effective only if there is a strong supporting administrative structure acceptable to all interested parties. The specific responsibilities of the Congress, the President, the Civil Service Commission, the Office of Management and Budget, and the department and agency heads in the evaluation and classification area will be reviewed. A series of recommendations will be made to describe precisely the roles of these parties in the administration of the coordinated job evaluation plan.

2. Classification and Pay Appeals Procedure

One of the areas that the Task Force is going to consider during the coming year is an administrative mechanism to insure that the individual employee or his representative has a simple and expeditious method of appeal in the areas of classification and pay.

3. Union Participation

The Task Force objective is to insure that the individual Federal employee is treated equitably within the overall plan, and in no way is discriminated against or suffers discriminatory action by line management without an impartial review. In the many meetings the Task Force conducted with unions, employee organizations and associations, extensive discussions were held on the role of the unions and associations in the evaluation process. The evaluation and pay systems resulting from the Task Force studies should recognize union views.

4. Concurrences

In the area of administration, concurrence also will be sought from all interested parties (agencies, unions, and associations) so that the Commission and the Administration can give full consideration to these views in deciding upon the final shape of the Civil Service Commission's recommendations to the Congress. Whatever concurrences can be obtained in the administrative area will simplify the transition period needed to implement the Civil Service Commission's final recommendations.

D. The Transition Period

1. Transition Plan Development

As provided by Public Law 91-216, the Task Force will develop an orderly transition plan in phased steps with a timetable that will provide for the Civil Service Commission to install, with the cooperation and assistance of the agencies and departments, the coordinated job evaluation plan. This transition plan must include a program for review and revision of pay structures, where necessary, to provide the proper relationships with the evaluation systems.

2. Concurrences

Operating officials as well as unions and associations will be given an opportunity to review and comment on the transition plan, in terms of the time intervals and schedules. This will assure a minimum of disruption to employees and supervisors as the plan is implemented.

E. Final Report

The main body of the final report by the Civil Service Commission will contain the detailed description of the coordinated job evaluation plan and the relationships among the evaluation systems within the plan. It will contain detailed models of the evaluation systems which will have been field tested and validated. The report will also contain specific recommendations on the design of pay structures; and the transition plan.

F. Legislation

1. Development of Legislation

The Task Force will be required, during the latter part of this coming year, to prepare supporting legislation to facilitate the installation of the coordinated job evaluation plan. This legislation will have to include the exceptions to the plan, both for evaluation and pay purposes.

2. Concurrences

Finally, the legislation will have to be cleared within the Executive Branch so that the Congress can hold hearings and proceed to act upon the proposed legislation.

APPENDIX I Temporary Members of the Job Evaluation
and Pay Review Task Force

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William Sorensen, Secretary, ESSO Inter-America

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David Weeks, Director, Compensation Research, National Industrial Conference Board

APPENDIX III Background Material

Legislative History of the Job Evaluation Policy Act of 1970 (Public Law 91-216)

- Report on Job Evaluation and Ranking in the Federal Government (H. Report 91-28, February 27, 1969)
- Hearings before the Subcommittee on Position Classification of the Committee on Post Office and Civil Service, House of Representatives, 91st Congress, 1st Session, on H. R. 13008 (Serial 91-16)
- Job Evaluation Policy Act of 1970 (H. Report 91-823, February 3, 1970)
- Job Evaluation Policy Act of 1970 (S. Report 91-713, March 2, 1970)

Legislative Histories of major job evaluation and pay statutes, particularly,

- The Classification Act of 1923 (Public Law 67-516)
- The Classification Act of 1949 (Public Law 81-429)
- The Federal Salary Reform Act of 1962 (Public Law 87-793)
- The Federal Pay Comparability Act of 1970 (Public Law 91-656)

Other related documents

- Commission on Organization of the Executive Branch of the Government (First Hoover Commission)
 - Report on Personnel Management (February 1949)
 - Appendix A, Task Force Report on Federal Personnel (January 1949)
- Commission on Organization of the Executive Branch of the Government (Second Hoover Commission)
 - Report on Personnel and Civil Service (February 1955)
 - Task Force Report on Personnel and Civil Service (February 1955)
- Report of the Defense Advisory Committee on Professional and Technical Compensation (Cordiner Committee, 1956-57)
- Report of the U. S. Interdepartmental Committee on Civilian Compensation (O'Connell Committee, 1957-58)

APPENDIX IV

List of Miscellaneous Federal Job Evaluation Systems

The following enumerates agencies having independent evaluation systems for certain groups of employees:

Agency for International Development

1. Foreign Service Officers
2. Foreign Service Staff
3. Participating Agency Employees (PASA)
4. Administrative employees

Department of Agriculture

5. County agents

Bureau of Census

6. Temporary employees
7. Enumerators

Environmental Science Services Administration

8. Commissioned Officers

Department of the Interior

9. U. S. Park Police

Department of Justice

10. U. S. Attorneys and Assistant U. S. Attorneys
11. Special Attorneys

National Aeronautics and Space Administration

12. Exempt employees

Panama Canal Zone

13. Nonmanual employees
14. Manual employees
15. Special category employees

U. S. Patent Office

16. Board of Patent Appeals

Peace Corps

- 17. Foreign Service Officers
- 18. Foreign Service Staff
- 19. Unenumerated employees

U. S. Public Health Service

- 20. Commissioned Officers

Selective Service System

- 21. Local Draft Board employees

Smithsonian Institution

- 22. National Zoological Police
- 23. Exempt employees

Department of State

- 24. Foreign Service Officers
- 25. Foreign Service Staff
- 26. Consular agents
- 27. Foreign Service Institute
- 28. Exempt employees

Department of Transportation

- 29. Alaska Railroad (white-collar employees)
- 30. Alaska Railroad (operating employees)
- 31. Lighthouse keepers and civilian employees on lightships

Department of Treasury

- 32. National Bank Examiners
- 33. Currency manufacturing
- 34. Executive Protective Service

United States Information Agency

- 35. Foreign Service Information Officers
- 36. Foreign Service Staff

Veterans Administration

- 37. Doctors, dentists, nurses
- 38. Canteen Service (white-collar employees)
- 39. Canteen Service (blue-collar employees)

Personnel in the Entire Agency

- 40. Atomic Energy Commission
- 41. Federal Deposit Insurance Corporation
- 42. Tennessee Valley Authority
- 43. National Security Agency
- 44. Central Intelligence Agency

Personnel in Many Agencies

- 45. Overseas Foreign Nationals
- 46. Teachers in overseas dependents schools
- 47. Scientists and Engineers (5 U.S.C. 3104 and 5361)
- 48. Executive Schedule
- 49. Statutory individual salaries
- 50. Experts and Consultants
- 51. Teachers, domestic dependents schools
- 52. Support personnel, domestic dependents schools
- 53. Service Academy faculties
- 54. Students and interns (medical)
- 55. Emergency and seasonal employees
- 56. Employees on contract or fee basis
- 57. Employees providing part-time service
- 58. Employees paid zero or nominal salaries
- 59. Inmates and Patients

Other

- 60. Staff of Former Presidents

APPENDIX V Survey of Job Evaluation and Pay Systems
Used by State Merit and Civil Service Systems

The Task Force made a general survey of job evaluation and pay systems of all 50 State governments. A brief summary of findings is:

1. While many of the states have more than one personnel system, the most prevalent arrangement is a common job evaluation and pay system which covers most state merit employees. Frequently, however, certain specialized state functions, e.g., colleges or hospitals; or certain occupational groups, such as doctors, teachers, or nurses, are covered under separate systems.
2. Position classification continues to be the basic technique used in evaluating positions. Forty-eight of the 50 states use this system for all or part of their positions. A significant number use other techniques--i.e., rank-in-man, point rating, or factor comparison--as supplementary techniques in the application of standards to certain groups of positions. In fact, there appears to be a trend toward the use of various quantitative techniques to supplement or to operate alongside the existing position classification standards.
3. There is one marked difference in the position classification systems used by the states as compared to that currently used in the General Schedule. The state systems generally provide greater flexibility in making internal occupational adjustments better to reflect pay comparability. Only a few have a single, monolithic classification grade system such as that in the General Schedule.
4. About one-third of the states indicated significant problems existing in the administration of their job evaluation systems. For the most part, these problems are associated with the need for better standards or guidelines for use in the allocation of certain groups of positions--i.e., higher administrative positions, specialized high-demand occupations, or highly organized groups.
5. More than one-half of the states either have more than one pay schedule or expressed the need for additional pay schedules to cover special categories of employees. The lack of competitive pay schedules (with private industry and, in many cases, the Federal Government) causes problems in recruiting and retaining adequate staffs.
6. In union-management relations, the states are faced with growing unionization of their employees. Most of the states are cautiously feeling their way in developing the legal and administrative framework within which to deal with employee organizations.

APPENDIX VI Job Evaluation and Pay Systems in Canada, Great Britain, and Australia

A. Canadian System

A brief summary of the Canadian system is incorporated into the House Post Office and Civil Service Subcommittee on Position Classification's report on job evaluation and ranking in the Federal Government. This summary outlines the history of job evaluation in the Canadian civil service, coverage of the system, and events leading up to its major renovation. Of these events, the following are the most significant:

1. The Glassco Commission Report in 1960, which recommended the adoption of a more systematic approach to job evaluation.
2. The Government's endorsement of collective bargaining in the civil service in 1963.
3. The establishment of a preparatory committee in 1964, and Parliament's adoption of the recommendations of the preparatory committee in 1967.

The Canadians are nearing the completion of implementation of their new system. The classification plan includes six primary categories or groupings:

1. Executive
2. Engineering and Scientific
3. Administrative and Foreign Service
4. Technical
5. Administrative Support
6. Operational

These categories are further broken down into 76 occupational groups. Occupational groups are based on the nature of the work and identifiable outside labor markets. Through this grouping process, the government has struck a balance between the requirements of relating government jobs to the outside pay market and the requirements for internal equity between positions. The system permits varying approaches to job evaluation and pay for different groups of employees. Within the 76 occupational groups, there are eight different methods of job evaluation. The most prevalent method is a factor comparison system, with points and benchmark jobs identified.

The government negotiates pay for each occupational group separately. Bargaining units were predetermined consistent with the occupational groups. This has required some rearrangement of representation by employee unions operating in the civil service area. In general, both management and the employee organizations are satisfied with the progress made in the implementation of the Canadian system. However, there are many items yet to be resolved in the bargaining process.

B. British System

The British have a sophisticated system of job classification. It is a system of upper and lower classes in which distinctions are based not only on the work performed but also on the educational background of the individual. An employee generally does not progress to the next higher level within a class without demonstrating a proficiency to do the full range of work at that level. Once he attains the higher rank, it remains with him as long as he is in the government service regardless of his individual assignment. It has been practically impossible for an employee to move across class lines. Thus his education and preparation before entering the government service play a controlling role throughout his career. Sweeping changes were recommended in the British system by the Fulton Committee which was established in 1966. In brief, the conclusions and recommendations of the committee were:

1. The introduction of a common grading structure;
2. Establishment of a systematic job evaluation system to replace the class membership system;
3. Establishing training arrangements that lead to faster promotion; and
4. Certain other changes regarding employment and organization of the British civil service commission.

To date, the British government has completed a major restructuring of the executive levels and elimination of certain barriers between these executive levels and lower classes within the system. The other aspects of the Fulton report are currently under joint study by labor and management in the British civil service.

C. Australian System

The Australian system provides for the grouping of positions into four main divisions. The first division is composed of permanent heads of departments. These are the highest level career positions in their government. The second division includes executive positions and senior professional jobs in the more important offices of the government.

The third division is composed of professional, administrative, and clerical positions. The fourth division includes certain entry-level and low-skill operating positions. These divisions represent not only broad divisions in level of difficulty of work, but also distinct differences in entry qualification requirements. Within each division there are occupational groupings which are generally comparable to class series in our General Schedule classification system. The Australian system provides for standards or guidelines for allocating positions within each of these occupational structures. Since 1961, the Australian government has been engaged in a review of all occupational groups within their system to see whether they may be simplified in terms of groupings and structures. They have also been experimenting with the use of a new standards format which appears to be similar to the factor comparison benchmark system used by the Canadians. Pay rates for each occupational group are determined on the basis of comparison with industry and through negotiations with the appropriate employee union.

APPENDIX VII

Models of Evaluation Systems
developed by the Task Force

A. Model for Executive Evaluation System

1. Coverage

This section pertains to the development of a system for position evaluation to be applied to executive positions in the Federal Government. Incumbents of these positions play a highly significant role in the management of the Executive Branch of the Federal Government. They are responsible for planning, directing, and executing major programs throughout the departments and agencies of the U.S. Government. Incumbents of these positions often recommend, develop, or approve policies to govern their program areas. The Federal executive is concerned with defining program objectives, staffing an organization, coordinating the efforts of organizational components, and evaluating the performance of subordinates who manage the various units under his control. He is normally held accountable for the attainment of program objectives.

2. Relationship to Federal Executive Service

The President has submitted proposed legislation to establish a Federal Executive Service, embracing approximately 7,000 employees now in grades GS-16/18. That system covers the appointment, compensation and other personnel functions applicable to Federal executives. The proposed Executive Evaluation System could be utilized by agencies in carrying out their obligations under the Federal Executive Service with respect to setting rates of pay. EES could assist in the ranking of positions for pay-setting purposes.

3. Methodology

The Task Force has developed a tailor-made job evaluation system for executive positions. This project was accomplished with the assistance of Cresap, McCormick and Paget, Inc., Management Consultants.

The system was designed around an initial sample of 635 positions in 29 Federal agencies. These positions are presently classified in grades GS-16, or at equivalent levels under other pay systems. By eliminating duplicate positions and positions for which current data were not readily available, the sample was reduced to a final

figure of 368 positions. The 29 sample agencies covered 11 cabinet departments, the large independent agencies, a variety of boards, committees and commissions, small independent agencies, as well as certain legislative agencies, i.e., General Accounting Office and Library of Congress. A factor ranking system with points was developed for evaluating these positions. Four factors were utilized, with the following titles, definitions, and weights:

- a. Job Requirements. This factor measures the range of information or understanding of necessary subject matter, and the skills needed to apply this knowledge (Weight of 35%).
- b. Difficulty of Work. This factor measures the nature of work in terms of the magnitude, variety and scope of activities assigned, as well as the types of decisions and actions necessary to perform the activities effectively (Weight of 25%).
- c. Responsibility. This factor measures the significance of the work in terms of results affecting the public, the economy, and the Government (Weight of 25%).
- d. Personal Relationships. This factor measures the need for the ability to meet and deal effectively with other people at all levels within and without the organization (Weight of 15%).

The 368 sample positions were ranked under each of the aforementioned factors. The next step consisted of developing grade levels. The criteria were established for this purpose:

- a. The number of grades should be sufficient to recognize distinct levels of difficulty and responsibility.
- b. A grade should include only positions of comparable value.
- c. The point ranges for each grade should be equal.

It was found that six significant levels of difficulty and responsibility exist within the sample of 368 executive positions now in GS-16/18. This takes into consideration the levels created by organizational structuring in the various agencies and eliminates the problem of having several levels of executives reporting upward but all classified in the same grade.

As an additional evaluation tool, benchmark positions would be provided to illustrate these various levels within each factor.

The Task Force is continuing to determine the validity of the proposed Executive Evaluation System.

B. Model for Administrative, Professional and Technological Evaluation System

1. Coverage

The positions considered for inclusion in this system are most of those under the General Schedule in grades GS-7/15, and equivalent levels in other systems.

The occupations fall into three broad groupings.

- a. Administrative. This group includes occupations where entrants frequently have college-level education, but there normally is no qualification requirement for specialized subject-matter courses. Included are such occupations as personnel, procurement, budgeting, management analysis, etc. There are about 200,000 positions in this grouping.
- b. Professional. This group includes occupations where typically there is a positive educational requirement for entrance, normally obtained by a baccalaureate or higher degree in a university or equivalent institution of higher learning, with a major in the area of the profession. This includes physical and social science professions, mathematics, law, health professions, engineering, and education. There are over 200,000 positions in this grouping.
- c. Technological. This group includes occupations where necessary specialized training and experience are acquired on the job. These positions are often closely associated with occupations in the professional or administrative groupings, and for the occupations under the General Schedule, currently have a similar grade pattern. Included are computer specialist positions, most inspector jobs, and various specialized technical, regulatory and enforcement occupations, such as air traffic controllers and tax auditors. There are about 400,000 such positions.

The Task Force has tentatively developed a general method of evaluation and classification administration for these positions which it believes will ameliorate the shortcomings reported as existing in the Classification Act standards and system.

2. Methodology

The basic or general method of evaluation being developed by the Task Force for the APTES category is a factor ranking-benchmark technique.

The Task Force has developed a sample collection of benchmark descriptions. They are much fewer in number (65) than the Civil Service Commission, with the aid of agency collaborators, would be expected to develop for Government-wide use. However, the sample benchmarks cover all the levels in the APTES category (mostly equivalent to the present grades GS-7/15). The occupations represented in this small collection include some of the most populous in this category, with a total of about 250,000 positions. The duties statements are uniformly presented, with a Position Summary showing organizational setting and position purpose, followed by more detailed listings of tasks and responsibilities. They are adapted from actual descriptions from a number of agencies, particularly those already employing benchmarks or standard position descriptions.

The factors as used in the Task Force's sample collection, with a brief description of each, are as follows:

- a. Job Requirements. The nature and variety of knowledges; skills and abilities needed for acceptable performance of the work.
- b. Difficulty of Work. The relative complexity of the work and the level of mental demands involved.
- c. Responsibility. Covers three elements:
 - (1) scope and effect of work, including impact on the organization, other agencies, and the public, and the consequences of error;
 - (2) job controls, a limiting or modifying element measuring the nature and limiting effects of supervision received and guidelines available; and
 - (3) responsibility for others, measuring the nature and extent of line and/or staff responsibility for work performed by others.
- d. Personal Relationships. The purpose, nature and difficulty of person-to-person work contacts, both internal and external to the organization.
- e. Other Level-Determining Factors. Any job-relevant elements or requirements not adequately covered above, as required in special positions or types of positions, such as unusual job conditions, physical demands, intensity of effort required, or continuing hazard.

3. Administration

In the operation of this system, the evaluation factors described by the Task Force and the benchmarks developed for varying levels within the APTES system would be the core. The Civil Service Commission would add additional benchmark positions developed in the same format as those prepared by the Task Force. These would include both jobs common to all or most agencies and also positions found in a few or even a single agency where the job population was quite numerous.

To this basic manual of benchmark positions, each agency would add its own benchmarks, developed to cover positions unique to that agency's needs and if necessary to cover the agency's organizational structure. The agency's benchmark manual would also include field positions where appropriate. In like manner, field organizations could develop benchmark positions as supplements to the agency and the Commission benchmarks. In all cases, these benchmark positions would require Commission approval and would be made available by the Commission to other agencies for their use.

In the day-to-day classification process, a local office would consider the duties of a position to be evaluated against the available benchmarks. In a large number of cases, consistency should be achieved after the benchmark system is fully developed. Where minor differences exist, a determination could be made locally as to the effect of these differences, which determination would be recorded. These judgments should be within the ability of local operating personnel (line and administrative) to make after limited training, without the necessity for pre-audit by experienced position classifiers. Where there were no clearly applicable benchmarks, or where observed differences were substantial, review of individual descriptions and comparison to benchmarks would be expected at a level where there is available classifier advice. With the process of comparison being limited to only a handful of benchmarks at a time, even though the whole body of benchmarks in the Federal service would be quite numerous, it would be easier than at present for the line official or the employee to comprehend the basis for the classification decision.

A major difference between the present method of evaluation for positions in the General Schedule and the factor ranking-benchmark technique is that in the current system positions are separately described, and the classification of each position requires a fresh evaluation against the standards, often requiring difficult interpretations or assumptions where the standards are not directly applicable; whereas the benchmarks represent real positions, and are used, where applicable, as the descriptions of record. Experience

by agencies using standard descriptions shows that a limited number of such descriptions, if written to fit agency or local conditions, can cover substantial numbers, often hundreds, of individual jobs. With the use of satellite benchmarks prepared in the agencies centrally or at lower levels such as regional offices, commands, or local installations in their field services, it is expected that a large proportion of positions in this category will be covered by benchmarks, eliminating much of the paperwork required in the present classification system.

4. Relationships

The factors selected for position analysis in this factor ranking-benchmark technique can also be used to evaluate positions in the systems immediately above and below APTES at the points where these systems overlap APTES. Thus, while a specialized set of factors has been developed for the clerical and equivalent positions and another set for the executive job population, positions in those categories at the point of overlap are also susceptible to analysis and evaluation using the APTES category factors. This will make it possible to establish equivalency of levels. Thus, senior purchasing clerks or assistants can be compared with junior procurement officers; laboratory or engineering technicians at the upper end of their category can be compared with junior professionals or technical employees at the lower part of the APTES range; and accounting technicians and senior accounting clerks can be compared to junior accountants. Similarly, jobs in the lower part of the executive range can be compared with top nonsupervisory or first-line supervisory jobs in the same occupational area, with appropriate grade equivalence. This should establish the necessary relationship to insure coordination of the broad systems.

C. Model for Clerical, Office Machine Operation, and Technician Evaluation System

1. Coverage

One of the major groupings of related jobs under study by the Task Force is that which has been tentatively identified as the Clerical, Office Machine Operation, and Technician category. This group is made up of approximately 525,000 nonsupervisory positions currently allocated to one of 57 clerical, 34 technician, and 13 office machine class series in the General Schedule. Thus, this category represents a variety of jobs, all of which have similar career patterns and are treated alike

in private industry for pay and career development purposes. These are also jobs that possess many of the same characteristics of nonexempt status employees in private industry, i.e., production-oriented clerical, technician, and operational jobs requiring nonprofessional qualifications.

2. Existing Problems

Investigations to date have revealed inadequacies in the Federal Government's position classification system as applied to this group of positions. Some of these problems are:

- a. The present occupational grade alignment within this category does not permit a reasonable reflection of comparability with private industry in setting pay rates for many of the occupations.
- b. There are more grade levels in the occupational series within the present General Schedule structure than there are clearly identifiable levels of work.
- c. The present classification standards have certain weaknesses, i.e., standards are written in terms too general to be specifically applicable; some do not define the range of difficulty of work in a given level adequately; and some standards appear to define artificial levels.
- d. The present system, as reflected in the House Subcommittee on Position Classification Report, is too complex and requires more time and effort than is available to maintain it adequately.

3. Methodology

With these deficiencies of the present system in mind, the Task Force has investigated various systems now in use in the Federal Government, e.g., Atomic Energy Commission, National Security Agency, etc., and those used by the more progressive state governments and major private employers, to determine what system or systems seem to fit best the current needs of the Federal service with respect to the positions under discussion. The factor ranking method appears to be the system with the most promise for overcoming the deficiencies of the present system. Factor ranking is essentially a technique of comparing each job with all others, one factor at a time. The technique forces the rater to make critical analyses of jobs on a factor basis, each job in relation to each other.

The Task Force is in the process of developing a model factor ranking plan applicable to the clerical, office machine operation and technician category of jobs. The model system, as presently conceived, will consist of:

- a. Significant factors identified in the ranking of positions in this category. These factors will be further defined in terms which can be used to measure the relative worth of jobs.
- b. Benchmark jobs defined in terms of the significant factors and representative of the full range of jobs to be covered by the system. (Supplemental benchmark jobs will be identified by the agencies to cover those jobs of a specialized or limited use nature.)
- c. Factor rating scales which identify the measurable levels within each factor and provide appropriate numerical values for each level. (These factor levels, factor weights, and scores are derived from a ranking of benchmark positions. The scores serve as an administrative convenience in determining overall job ranking in relation to each other job.)
- d. A manual of instructions, reference keys and conversion tables.

Four factors have been developed, tentatively, for the evaluation of clerical, office machine operation, and technician positions. These factors are defined as follows:

- a. Job Requirements and Difficulty of Work. This factor measures the nature and level of know-how and ability required in performing work.
- b. Responsibility. This factor measures the need to make choices and the nature of instructions, guidelines, and supervisory control.
- c. Personal Relationships. This factor measures the importance of interpersonal contacts and relationships to the accomplishment of results.
- d. Physical Effort and Work Environment. This factor measures the type and amount of physical effort required to perform the assigned work and the nature of the work environment.

4. Administration

It is envisioned that the Civil Service Commission will maintain control over the system, particularly over the benchmark positions. Agency benchmarks, which would be encouraged, would need approval by the Civil Service Commission before they would be authorized for use in the classification of positions. The benchmark jobs serve as the key element in such a system. They are the standards and guides for classification of positions and interpretation and application of the factor rating scales.

The factor rating scales give the user an overall view of the system and the interrelationships among the several factors. The scales are also used in assigning scores and in making inter-occupational comparisons. The rating scales are particularly helpful in evaluating new jobs for which job relationship patterns have not yet been established. This permits the system to be more responsive to the dynamics of a changing Federal work force.

As is true under the current system, agencies would have responsibility for classifying individual positions to appropriate levels. Preliminary studies indicate that the system contemplated is one which will be relatively easy for line management and employees to use and understand. It will, most importantly, eliminate or substantially reduce "grade creep." Systems of this type can be used to evaluate a wide variety of jobs with reasonable assurance of consistency of job treatment among agencies. It should result in a more equitable internal job alignment and better external pay comparability than exist under the present system. Field tests are presently being conducted on this evaluation model to determine validity and reliability.

D. Coordinated Federal Wage System

1. Coverage

The urgent need to develop common job standards and wage policies and practices to insure interagency equity in fixing pay for Federal blue-collar employees provided the impetus for the institution and current operation of the Coordinated Federal Wage System. Approximately 560,000 employees and supervisors are evaluated and compensated under this system. These are exempted from the General Schedule by 5 U.S.C. 5102(c)(7).

2. Job Evaluation Methodology

The job-grading system developed by the Civil Service Commission includes: (1) an orderly grouping of the occupations covered by the system; (2) a grade framework to establish the basic pegpoints of the grading system; (3) job standards to provide the criteria for determining the relative worth of jobs in terms of grades; and (4) a job-grading method to assure consistency in the application of job standards.

The rankings of thirty-nine key jobs provide the framework for the 15-grade nonsupervisory structure of the CFWS. Four factors are utilized and described in official job standards. These are: Skill and Knowledge; Responsibility; Physical Effort; and Working Conditions. Individual jobs are compared with appropriate job standards by use of factor comparison, without points; but the jobs are graded by use of whole job comparisons, i.e., a determination is made of the most appropriate grade value, overall, rather than a mechanical addition of individual factor judgments or point values.

Supervisory positions are evaluated on the basis of three factors: (1) level or nature of supervision or management exercised; (2) level of work supervised; and (3) scope of work operations supervised.

Leader positions are not graded on the basis of a set of classification factors. The grades for these positions are linked directly to the grades of the positions of employees led; and a compensation differential of 10 percent over the pay of subordinates is paid to leaders.

3. Relationship to Other Systems

The CFWS grading system is not now related to any other job evaluation and ranking system in the Federal service, either by common classification factors or by grade-level equivalents.

4. Administration

The Civil Service Commission serves as the coordinator and monitor of the CFWS, promulgating job-grading standards, defining the boundaries of wage areas, and issuing policies and regulations for administration and maintenance of the system. The CSC Bureau of Personnel Management Evaluation, as part of its appraisal of personnel management in the departments and agencies, conducts inspections to determine compliance with regulations governing the CFWS.

To advise the Commission in operating this system, the Chairman of the Civil Service Commission has established a National Wage Policy Committee, consisting of representatives from Federal management and recognized labor unions. This Committee's functions are, in brief; to consider new or revised basic policies and procedures and to make recommendations to the Chairman of the Civil Service Commission.

5. Observations and Conclusions

Now a little over two years in operation, the CFWS seems to be achieving its goals relatively satisfactorily. It is the view of the Task Force that the system should continue in effect. However, the following steps are considered appropriate:

- a. An attempt should be made to achieve a degree of coordination in job evaluation between blue-collar positions and clerical, office machine operation, and technician positions. With changes in technology, jobs are being created which fall into a "grey area"--being considered sometimes as in CFWS and at other times in that portion of the present GS system which would be replaced by COMOT. Evaluation techniques for the two systems should be coordinated, therefore, so as to produce consistent determinations of relative skill level within either system.
- b. Serious consideration should be given to the need for retaining such supervisory positions as General Foreman and Superintendents in the CFWS. These positions cover responsibilities to such an extent that they might more appropriately be evaluated by a system geared to the classification of white-collar supervisory and managerial positions. During the next year final determinations on these points will be made by the Task Force.

E. Model for Special Occupations Evaluation Systems

1. Coverage

During the course of study of the many occupational job families within the General Schedule and certain other evaluation systems, the Task Force came to the conclusion that the concept of rank-in-man should be considered for more extensive application. Accordingly, a review was made of those occupations which would lend themselves to a rank-in-man concept not only because of the inherent characteristics of the occupations but because in the private sector these occupations are treated in a unique manner.

As a result of this review, certain specific occupations were earmarked for in-depth analysis. These were occupations in the health services field, attorneys, teachers, and positions in the Foreign Service. Further, because of their quasi-military organization in the private sector and other public governmental organizations, positions in protective services have also been studied. The Task Force has for the past several months been considering the feasibility of using the rank-in-man concept to assist in providing compensation practices more compatible with those in the private sector for the types of positions enumerated above.

2. Evaluation Technique under Consideration

Since one of the basic principles that the Task Force has adopted is that all positions within the Federal Government, not only lend themselves to being, but must be, described, evaluated, and classified, a rank-in-job system would be required for these special categories of personnel. The Task Force, therefore, is considering a combined rank-in-man/rank-in-job evaluation system for some or all of these special categories.

First there would be established an appropriate skill level for the job. The evaluation systems enumerated in this appendix would be used to the maximum extent possible. Then an individual employee--or incumbent--classification under the rank-in-man concept for pay purposes would be used. The individual's rank would be carried with him from job assignment to job assignment. A selection and promotion board would be required to determine eligibility for both appointment and advancement, as is presently done both in the Veterans Administration Department of Medicine and Surgery and in the Foreign Service.

3. Administration

The key to success in using a combined rank-in-man/rank-in-job evaluation technique is the effectiveness of its administration. The military services of the Government have for many years used this combined approach. The principle should be that promotions in number are directly related to positions in number that exist at any particular skill level. By this is meant an individual's personal rank should almost always correlate to the rank or skill level of the duties to which he is assigned.

For the special categories enumerated above, therefore, the respective agencies and departments where this combined evaluation technique would be used would have to adopt a common approach. Specifically, promotions from one rank to another under the

rank-in-man side of the equation would be correlated with the numbers of positions at corresponding levels that exist under the rank-in-job side of the equation. While it is understood that imbalance may exist during periods of governmental contraction or expansion, overall the percentage of "mis-classifications" would have to be held to a minimum. It would be necessary for management to conduct an aggressive program for elimination of these mis-classifications through job assignment or restructuring. The Civil Service Commission would have a continuing responsibility through its Personnel Management Evaluation Program to insure that such efforts were underway and that the agencies were in fact administering the program as intended.

APPENDIX VIII

Disposition of Exceptions to Existing Major Job Evaluation Systems

1. Statement of Problem

A major objective of the Task Force is to improve the coordination of job evaluation systems and practices in the Executive Branch. The current existence of 60 different, uncoordinated job evaluation systems applicable to 12% of the Executive Branch positions is the root of this problem. This portion of the Task Force report discusses possible solutions to the coordination problem.

2. Tentative Disposition of the 60 Separate Systems

Brief background information and proposed actions follow:

- a. There are a considerable number of uncoordinated systems using the General Schedule voluntarily. The new job evaluation systems being developed to replace the General Schedule would indicate that the following currently independent systems should be mandatorily included under appropriate parts of the Coordinated Job Evaluation Plan:

| <u>Category</u> | <u>Agency</u> |
|--------------------------------|---------------------------------------|
| All positions | Atomic Energy Commission |
| Local Draft Board employees | Selective Service System |
| All positions | Federal Deposit Insurance Corporation |
| All positions | National Security Agency |
| All positions | Central Intelligence Agency |
| Temporary employees | Bureau of Census |
| National Bank Examiners | Department of Treasury |
| Administrative employees | Agency for International Development |
| Board of Patent Appeals | U. S. Patent Office |
| Exempt employees | Department of State |
| Unenumerated employees | Peace Corps |
| Participating Agency employees | Agency for International Development |

- b. There are a number of the uncoordinated systems that appear to exist only because at some time the General Schedule System did not provide appropriate job evaluation procedures or did not produce adequate salaries. Special provision has been made

under various parts of the Coordinated Job Evaluation Plan for many of these, and certain of the following separate systems may no longer be needed:

| <u>Category</u> | <u>Agency</u> |
|--|--|
| Doctors, dentists, nurses | Veterans Administration |
| Commissioned officers | U. S. Public Health Service |
| Teachers, overseas dependents schools | Department of Defense |
| Scientists and engineers (P. L. 313 types) | Many agencies |
| Statutory individual salaries | Several agencies |
| U. S. Attorneys and Assistant U. S. Attorneys | Department of Justice |
| Teachers, domestic dependents schools | Several agencies |
| Foreign Service Staff personnel | Department of State, U.S.I.A., A.I.D., Peace Corps |
| Service Academy faculties | Several agencies |
| Foreign Service Institute | Department of State |
| Special Attorneys | Department of Justice |
| Specified employees | Smithsonian Institution |
| Specified employees | National Security Agency |
| U. S. Park Police | Department of the Interior |
| Executive Protective Service | Department of Treasury |
| National Zoological Police | Smithsonian Institution |
| Experts and Consultants | Many agencies |
| Support personnel, domestic dependents schools (white-collar only) | Several agencies |
| Canteen Service (white-collar) | Veterans Administration |

- c. There are currently several rank-in-man systems used in a number of agencies that are not effectively coordinated with one another nor with other job evaluation systems of the Executive Branch. Flexibility in moving employees among geographically dispersed work sites is a critical need. Without disturbing the assignment flexibility, the following systems should be brought under the Coordinated Job Evaluation Plan for billet evaluation and for coordination of basic pay levels for the several classes:

| | |
|--------------------------------------|---|
| Foreign Service Officers | Department of State |
| Foreign Service Officers | Agency for International Development |
| Foreign Service Information Officers | U. S. Information Agency |
| Foreign Service Officers | Peace Corps |
| Commissioned Officers | National Oceanic and Atmospheric Administration |

- d. There are several uncoordinated systems that, in whole or in part, could well be considered to be part of the Coordinated Federal Wage System. These include:

| <u>Category</u> | <u>Agency</u> |
|---|------------------------------|
| Support personnel of domestic dependents schools (blue-collar only) | Several agencies |
| Currency Manufacturing | Department of Treasury |
| Lighthouse keepers and civilian employees on lightships | Department of Transportation |
| Canteen Service (blue-collar) | Veterans Administration |

- e. The following systems are much like the General Schedule or other portions of the Coordinated Job Evaluation Plan but are now separate systems because of certain provisions of the Treaty with Panama relating to pay. These systems could be brought under the appropriate portions of the Coordinated Job Evaluation Plan. Detailed pay administration would remain a responsibility of the Panama Canal Company. These systems are:

Panama Canal nonmanual employees
Panama Canal special category employees

- f. It is suggested that jobs occupied by Panama Canal manual employees, whose pay is covered by provisions of the Treaty with Panama, be placed within the CFWS as a special schedule.
- g. There are several current schedules, each individually used by a Government-controlled corporation (or comparable entity), which are not coordinated in any formal manner with schedules of other agencies. These systems are comparable to the newly organized Postal Service system, although they have existed for many years as independent systems. No real basis can be set forth for treating any of these as less independent than the Postal Service. They possess the following common characteristics:
- (1) Each has a corporate-type structure;
 - (2) Each has as its primary mission the provision and sale of a commercial-type service to the public;
 - (3) Each is required to maintain its income and expenses in a prescribed profit-type relationship;
 - (4) Each establishes its job evaluation and pay practices by some degree of negotiation with its employees; and
 - (5) Each has evolved a job evaluation (and pay) system different from the system used by any other Executive Branch agency.

These systems, then, should remain independent following the newly-reiterated precedent of the Postal Service:

- (1) Alaska Railroad, Department of Transportation; and
- (2) Tennessee Valley Authority, all employees.

h. There are a number of schedules or systems that should continue to exist for a variety of individual reasons. These systems, and the reasons for their continued independence, are:

- (1) Overseas Foreign Nationals. It would be unrealistic to try to impose continental U. S. job evaluation practices and pay levels on citizens of other countries employed for the most part in their own homelands.
- (2) Experts and Consultants employed 10 or fewer days in any three consecutive months. The time and cost of evaluating such employment is too high to be practical.
- (3) Temporary Enumerators, Bureau of Census. Employment of these individuals is too short in duration, and too irregular in scheduling, to make job evaluation and pay based on annual rates a practical procedure.
- (4) Consular agents.
- (5) Employees providing part-time service inseparable from other employment.
- (6) Employees on a contract or fee basis, where employment is too irregular and too short in duration to make job evaluation and pay based on annual rates a practical procedure.
- (7) Inmates and Patients. Work is frequently assigned for therapeutic reasons, is always temporary and part time, and, in terms of general working conditions, bears little relationship to gainful employment in the general labor market.
- (8) Students and Interns. These individuals are not employees in the normal sense, but rather beneficiaries of Government-furnished training. In a real sense, there is no "work" to be evaluated. Stipends are related to living costs and conditions, not to services rendered by the student or intern.

- (9) Pay for those persons where there is a joint responsibility of both the Federal Government and the county in which the employee is stationed, e.g., County agents, U. S. Department of Agriculture.
- (10) Emergency and seasonal employees. In most cases, there is not time or opportunity to follow normal job evaluation procedures.
- (11) Employees paid a zero or nominal salary. Job evaluation procedures would serve no purpose.
- (12) Staffs of Former Presidents. The current practice is to permit the former President to choose members of his staff and fix their pay as he sees fit. A change in this practice would be difficult to justify and would accomplish little because of the nature of this employment.

3. Extension of Systems to Other Portions of the Government

It is believed that the evaluation systems proposed in SECTION I. are sufficiently flexible and useful that they be considered for adoption by appropriate organizations in the Legislative and Judicial Branches, nonappropriated fund employees and other governmental organizations not covered by Public Law 91-216, where deemed advisable.

APPENDIX IX

Public Law 91-216, Job Evaluation
Policy Act of 1970



Public Law 91-216
91st Congress, H. R. 13008
March 17, 1970

An Act

To improve position classification systems within the executive branch, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Job Evaluation Policy Act of 1970".

Job Evaluation
Policy Act of
1970.

TITLE I—CONGRESSIONAL FINDINGS WITH RESPECT TO JOB EVALUATION AND RANKING IN THE EXECU- TIVE BRANCH

SEC. 101. The Congress hereby finds that—

(1) the tremendous growth required in the activities of the Federal Government in order to meet the country's needs during the past several decades has led to the need for employees in an ever-increasing and changing variety of occupations and professions, many of which did not exist when the basic principles of job evaluation and ranking were established by the Classification Act of 1923. The diverse and constantly changing nature of these occupations and professions requires that the Federal Government reassess its approach to job evaluation and ranking better to fulfill its role as an employer and assure efficient and economical administration;

63 Stat. 954,
972.
5 USC 5101 et
seq and notes.

(2) the large number and variety of job evaluation and ranking systems in the executive branch have resulted in significant inequities in selection, promotion, and pay of employees in comparable positions among these systems;

(3) little effort has been made by Congress or the executive branch to consolidate or coordinate the various job evaluation and ranking systems, and there has been no progress toward the establishment of a coordinated system in which job evaluation and ranking, regardless of the methods used, is related to a unified set of principles providing coherence and equity throughout the executive branch;

84 STAT. 72
84 STAT. 73

(4) within the executive branch, there has been no significant study of, or experimentation with, the several recognized methods of job evaluation and ranking to determine which of those methods are most appropriate for use and application to meet the present and future needs of the Federal Government; and

(5) notwithstanding the recommendations resulting from the various studies conducted during the last twenty years, the Federal Government has not taken the initiative to implement those recommendations with respect to the job evaluation and ranking systems within the executive branch, with the result that such systems have not, in many cases, been adapted or administered to meet the rapidly changing needs of the Federal Government.

TITLE II—STATEMENT OF POLICY

SEC. 201. It is the sense of Congress that—

(1) the executive branch shall, in the interest of equity, efficiency, and good administration, operate under a coordinated job evaluation and ranking system for all civilian positions, to the greatest extent practicable;

(2) the system shall be designed so as to utilize such methods of job evaluation and ranking as are appropriate for use in the

executive branch, taking into account the various occupational categories of positions therein; and

(3) the United States Civil Service Commission shall be authorized to exercise general supervision and control over such a system.

TITLE III—PREPARATION OF A JOB EVALUATION AND RANKING PLAN BY THE CIVIL SERVICE COMMISSION AND REPORTS AND RECOMMENDATIONS TO CONGRESS

Sec. 301. The Civil Service Commission, through such organizational unit which it shall establish within the Commission and which shall report directly to the Commission, shall prepare a comprehensive plan for the establishment of a coordinated system of job evaluation and ranking for civilian positions in the executive branch. The plan shall include, among other things—

(1) provision for the establishment of a method or methods for evaluating jobs and aligning them by level;

(2) a time schedule for the conversion of existing job evaluation and ranking systems into the coordinated system;

(3) provision that the Civil Service Commission shall have general supervision of and control over the coordinated job evaluation and ranking system, including, if the Commission deems it appropriate, the authority to approve or disapprove the adoption, use and administration in the executive branch of the method or methods established under that system;

(4) provision for the establishment of procedures for the periodic review by the Civil Service Commission of the effectiveness of the method or methods adopted for use under the system; and

(5) provision for maintenance of the system to meet the changing needs of the executive branch in the future.

84 STAT. 73

84 STAT. 74

Sec. 302. In carrying out its functions under section 301 of this Act, the Commission shall consider all recognized methods of job evaluation and ranking.

80 Stat. 379.

Sec. 303. The Civil Service Commission is authorized to secure directly from any executive agency, as defined by section 105 of title 5, United States Code, or any bureau, office, or part thereof, information, suggestions, estimates, statistics, and technical assistance for the purposes of this Act; and each such executive agency or bureau, office, or part thereof is authorized and directed to furnish such information, suggestions, estimates, statistics, and technical assistance directly to the Civil Service Commission upon request by the Commission.

Sec. 304. (a) Within one year after the date of enactment of this Act, the Commission shall submit to the President and the Congress an interim progress report on the current status and results of its activities under this Act, together with its current findings.

(b) Within two years after the date of enactment of this Act—

(1) the Civil Service Commission shall complete its functions under this Act and shall transmit to the President a comprehensive report of the results of its activities, together with its recommendations (including its draft of proposed legislation to carry out such recommendations), and

(2) the President shall transmit that report (including the recommendations and draft of proposed legislation of the Commission) to the Congress, together with such recommendations as the President deems appropriate.

(c) The Commission shall submit to the Committees on Post Office and Civil Service of the Senate and House of Representatives once each calendar month, or at such other intervals as may be directed by those committees, or either of them, an interim progress report on the then current status and results of the activities of the Commission under this Act, together with the then current findings of the Commission.

Interim
reports to
Congress.

(d) The Commission shall periodically consult with, and solicit the views of, appropriate employee and professional organizations.

(e) The organizational unit established under section 301 of this Act shall cease to exist upon the submission of the report to the Congress under subsection (b) of this section.

Approved March 17, 1970.

LEGISLATIVE HISTORY:

HOUSE REPORT No. 91-823 (Comm. on Post Office & Civil Service).
SENATE REPORT No. 91-713 (Comm. on Post Office & Civil Service).
CONGRESSIONAL RECORD, Vol. 116 (1970):

Feb. 16: Considered and passed House.
Mar. 4: Considered and passed Senate.

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